

# Fiscal Note

State of Alaska  
2017 Legislative Session

Bill Version: SB 6  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: SB006CS(JUD)-DNR-PMC-03-14-17  
Title: INDUSTRIAL HEMP PRODUCTION  
Sponsor: HUGHES  
Requester: Senate Resources

Department: Department of Natural Resources  
Appropriation: Agriculture  
Allocation: North Latitude Plant Material Center  
OMB Component Number: 2204

## Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2018	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2018 Request	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
<b>OPERATING EXPENDITURES</b>	<b>FY 2018</b>	<b>FY 2018</b>					
Personal Services							
Travel							
Services	25.0						
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
<b>Total Operating</b>	<b>25.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

## Fund Source (Operating Only)

1004 Gen Fund (UGF)	25.0						
<b>Total</b>	<b>25.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

## Positions

Full-time							
Part-time							
Temporary							

## Change in Revenues

None	***		***	***	***	***	
<b>Total</b>	<b>0.0</b>						

**Estimated SUPPLEMENTAL (FY2017) cost:** 0.0 *(separate supplemental appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**Estimated CAPITAL (FY2018) cost:** 0.0 *(separate capital appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

## ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? **Yes**  
If yes, by what date are the regulations to be adopted, amended or repealed? **06/30/18**

## Why this fiscal note differs from previous version:

This fiscal note takes into account the committee substitute changes including adopting regulations, generating testing requirements, approving seed sources, providing general production practices, defining isolation distances, creating a registration process and sun setting at the end of FY2022.

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Division: <u>Division of Agriculture</u>	Date: <u>03/14/2017 11:00 AM</u>
Approved By: <u>Andrew T. Mack, Commissioner</u>	Date: <u>03/14/17</u>
Agency: <u>Department of Natural Resources</u>	

FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2017 LEGISLATIVE SESSION

BILL NO. CSSB 6

**Analysis**

This bill requires the commissioner of Department of Natural Resources to adopt regulations and conduct oversight of industrial hemp in Alaska.

DNR would enter into a RSA with the Department of Law (DOL) to assist in drafting regulations at a cost of approximately \$25 thousand.

The cost of administering the registration program will be determined after regulations are drafted. Those costs will be recovered via revenue from approximately 25 farms the department anticipates to register in the first year.